

Frequently Asked Questions Master Rental Agreement

Question: Is it still possible to purchase off the current MRA?

Answer: Yes. The purchaser must note on the order that they looked at the rental rate and price and decided to purchase at this time. It is technically considered a purchase conversion on the first payment. No interest is accrued. The agency order form remains unchanged.

Question: Aren't the rates a lot higher than other lease programs?

Answer: Considering the product and services being rented, the rates are *very comparable* to anything available from DGS today. The monthly rate factors are basically unchanged from previous MRA's; however considerable flexibility is now built in to the rates available.

Question: What are the main differences between what we get with the MRA and with CMAS using LeaseMart?

Answer: CMAS contracts do not contain the contract maintenance language of the MRA. Nor are MRA orders limited to more than \$50,000 (as in LeaseMart) and less than \$500,000 (as in CMAS). (MRA language is available for download at www.pd.dgs.ca.gov/masters/computer) The MRA also has a different ordering procedure. The MRA order form, GSOP 191-2, (downloadable as Word document at www.pd.dgs.ca.gov/masters/computer) is designed to complete all leasing transactions including rental, maintenance (ordered alone if needed), co-terminous installations, renewals, revisions, relocations and add-ons without additional paperwork or overview.

Question: Is the MRA available only for renting or purchasing equipment?

Answer: No. The MRA serves as the only bid master agreement containing full maintenance language for IT product. As the previous MRA contracts expire it is recognized that the equipment purchased and/or leased from those agreements may still need annual maintenance. The current MRA is available as a source of maintenance for any equipment previously leased or purchased off the MRA and, at the discretion of the contractor, any equipment linked (such as through a network or similar connection) to equipment leased or purchased off a previous MRA.

MRA Benefits Information

The contract language for the MRA was developed in conjunction with the Department of General Services by the state data centers, Caltrans and other major users of the agreement. The termination and liquidated damages clauses were felt to be an important part of assuring the State's critical functions were not undervalued by the supplier. The State's vital programs would otherwise have little recourse if damages occurred. The fact remains, the State has never levelled any significant damages against a contractor on this Agreement in its history (the MRA has over 15 years history). Suppliers and lenders are working together to mitigate even this minimal risk to the lender. The language of the agreement implements a process that demands equal cooperation of all parties and results in highly efficient leasing of equipment for large IT programs. The MRA annually averages between \$60 and \$80 million worth of leases and purchases. The MRA as a procurement vehicle has extensive product and services lists available from manufacturers and first line service organizations on-line via the Internet. The prices & discounts, maintenance rates and full contact information are all available via the Internet. Additional services offered for the first time on the MRA include asset management programs, optional payment plans depending on the users needs, flexible rates and the ability to add comparable product as it becomes available. Contact your contractor for details.